

Amendment #1 to Council Bill (CB) 118324

Sponsor: Licata

Committee on Housing Affordability, Human Services, and Economic Resiliency

Share of small efficiency dwelling units (SEDUs) required to be set aside as affordable units in Multifamily Housing Property Tax Exemption (MFTE) projects.

Councilmember Licata’s amendment would increase the minimum share of SEDUs in MFTE projects that must be set aside as affordable units. Currently, at least 20 percent of the residential units in an MFTE project must comply with program-specific affordability requirements established in the Seattle Municipal Code (SMC). This 20 percent standard applies across all unit types (SEDUs, studios, one and two bedrooms, etc.) Under Councilmember Licata’s amendment, at least 25 percent of the SEDUs located in an MFTE project would be required to be set aside as affordable units. For all other unit types, the existing 20 percent rule would remain intact.

The content of Councilmember Licata’s amendment is shown below in ~~double strikethrough~~ and double underline.

Section 1. Subsection 5.73.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 123727, is hereby amended as follows:

5.73.040 Eligibility((-))

B. In addition to the requirements in subsection 5.73.040.A above, rental projects must comply with the following affordability requirements from the date of application for the Final Certificate of Tax Exemption ("Final Certificate") for the duration of the exemption period:

1. A minimum of 25 percent of any small efficiency dwelling units in the project shall be Affordable Units rented to tenants whose Household Annual Income is at or below 40 percent of Median Income. A minimum of 20 percent of all ~~the other~~ other units in the Project shall be Affordable Units rented to tenants whose Household Annual Income is at or below ~~40 percent of Median Income for small efficiency dwelling units, at or below~~ 65 percent of Median Income for

studio units, at or below 75 percent of Median Income for one bedroom units, and at or below 85 percent of Median Income for two bedroom and larger units.

2. If, in calculating the number of Affordable Units, the number contains a fraction, then the number of Affordable Units shall be rounded up to the next whole number.

3. The mix and configuration of Affordable Units (e.g., small efficiency dwelling units, studios, one-bedrooms, two-bedrooms, etc.) shall be substantially proportional to the mix and configuration of the total housing units in the Project; provided that all units of two (~~(2)~~) or more bedrooms may be combined into a single category for the purpose of compliance with this provision. When the Project contains more than one (~~(1)~~) building, all of the Affordable Units required by this subsection B may not be located in the same building.
